

**U.S. Department of Energy**  
**and**  
**Brookhaven Science Associates, LLC**

**ATTACHMENT J.1**

**APPENDIX A**

**ADVANCE UNDERSTANDINGS ON  
HUMAN RESOURCES**

**Applicable to the Operation of  
The Brookhaven National Laboratory**

**Contract No. DE-AC02-98CH10886  
Modification No. M175**

**Part III – List of Documents,  
Exhibits, and Other Attachments**

**Section J**

**Appendix A**

**Advance Understandings on Human Resources**

## **Introduction**

This Advance Understanding (AU) is intended to document the Contractor Human Resource Management (CHRM) self-assessment policies, processes and measures, which sets forth the principles for evaluation of Contractor's Human Resource Management (CHRM) programs. BNL CHRM policies, practices, and plans are located in the BNL Standards-Based Management System (SBMS).

BNL CHRM programs will comply with the Federal Acquisition Regulation (FAR) cost principles and FAR contract clauses, as supplemented by the Department of Energy Acquisition Regulation (DEAR), for all HR programs, including but not limited to Compensation, Health and Welfare Benefits, Pension Plans, Training and Development, Employee Morale, Professional Society Memberships, Employee and Labor Relations, Diversity/Equal Employment Opportunity/Affirmative Action, Recruitment and Relocation. The Contractor shall use effective management review procedures and internal controls to assure compliance with the FAR and DEAR.

Either party may request that this AU be revised and the parties hereto agree to give consideration in good faith to any such request. Revisions to this AU shall be accomplished by executing an AU modification as approved by the DOE Contracting Officer.

The Contractor, or designated representative, shall promptly furnish all reports and information required or otherwise indicated in this Advance Understanding to the Contracting Officer. The Contractor recognizes that the Contracting Officer or designated representative may make other data requests from time to time and the Contractor agrees to cooperate in meeting requests.

It is understood that no provision of this Appendix can affect any right guaranteed to a bargaining unit employee by the terms of a Collective Bargaining Agreement.

### **I. Human Resources Strategy, Business Planning and Performance Management**

The human resource business practices will be maintained in the Laboratory's SBMS. Any significant changes to the HR business practices shall be submitted to the DOE Contracting Officer for approval. Contract performance metrics and measures will be developed in partnership with DOE and are detailed in the Performance Evaluation and Measures Plan, which is updated and negotiated annually and included in Appendix B of this contract. A Human Resources Balanced Scorecard (BSC) approach will be developed.

CHRM performance objectives and targets will align with, and facilitate the achievement of the Laboratory mission and 5-Year Work Plan; be limited in number; focus on strategic results and systems-based measures; be developed annually and mutually agreed upon by the Contractor and DOE in accordance with Appendix B and the BSC process; be reviewed periodically to target key strategic objectives and results; and include outcomes that result in cost effective

management of laboratory human resources to support accomplishment of DOE and BNL mission, strategy and objectives.

## **II. Personnel Policies and Procedures**

Personnel-related costs will be in accordance with the FAR and DEAR cost principles. To the extent that the contractor identifies such costs found in the Laboratory SBMS and not cited in this Appendix, that are not consistent with the FAR cost principles, the contractor will have 30 days from execution of this contract modification to submit to the contracting officer those items for consideration and allowability.

## **III. Certification of Compensation System**

The contractor and DOE acknowledge that national compensation system standards currently do not exist. Further, the development of such standards requires a system-wide effort by DOE and DOE contractors, which may include assistance from outside experts, to identify/develop national compensation system certification standards and metrics.

Until such time as the DOE CO notifies BNL that national compensation system standards are recognized by the DOE, the contractor evaluates its compensation system against the standards outlined in Appendix B and the BSC. A goal of this contract will be for BSA to obtain DOE's certification for its compensation system. Until such time as BSA achieves a certified compensation system, CO determination of reimbursement for the annual Compensation Increase Plan and salaries in excess of \$120,000 are required.

## **IV. Determination of Cost Reimbursement**

Advance Understandings, regarding specific items of reimbursable cost, are in the best interest of both the contractor and the government. Such items specific to this contract are described below.

### **1. Definitions**

Service. Except as provided below, employment with the Contractor from date of hire. Unpaid leaves of absence will not be counted. Prior service will not be credited if there has been a break in service over three years, or as otherwise specified in this Appendix. Those employees transferring to Brookhaven Science Associates (BSA) from the State University of New York at Stony Brook (USB), Research Foundation of State University of New York, Battelle Memorial Institute, or Associated Universities, Inc. or the subsidiaries or affiliates of these organizations shall receive credit for their service in any of those organizations when determining total BSA service. There shall be no transfers of money or liability with respect to any benefit plans when any such transfers occurs.

2. Overtime

a. Nonexempt employees

A nonexempt employee may be paid at 1-1/2 times his/her regular base rate for all emergency work, for all work performed in excess of forty hours in any workweek, and in the case of an hourly or weekly employee, for all work performed in excess of eight hours in any workday, except that when a weekly employee is granted, at his/her request, a variation in the time of his scheduled work, the calendar day (midnight to midnight) may be considered a workday. For the purpose of computing premium pay under this section for monthly nonexempt employees, holidays may be counted as time worked. A nonexempt employee may be paid at 1-1/2 times his/her regular base rate for all hours worked on the first of his/her scheduled days off in any workweek and at two times his/her regular base rate for work performed on the second of his/her scheduled days off in any workweek.

A nonexempt employee required to work more than twelve hours within a period of twenty-four consecutive hours may be paid at two times his/her regular base rate for all hours so worked in excess of twelve. A nonexempt employee required to work more than sixteen consecutive hours may be paid at two times his/her regular base rate for all hours so worked in excess of sixteen. A nonexempt employee who has worked a continuous period of sixteen hours or more shall be entitled to an eight-hour rest period before returning to work. If this eight-hour period extends into the employee's regular work schedule, the employee shall be paid at straight time for the hours extending into the employee's regular work schedule.

If a nonexempt employee at the direction of the Laboratory performs emergency work or performs work on either of his/her scheduled days off, and the overtime payment for such work amounts to less than four hours' pay at his/her regular base rate, the employee may be paid four hours' pay at his/her regular base rate, (plus shift premium, if any) for such work. A weekly employee who is required to work beyond his/her scheduled hours may be guaranteed a minimum of one hour's pay at his/her base rate for the overtime work.

The Laboratory operating procedures for regularly scheduled shifts shall be submitted to DOE for information. The Laboratory will also provide the Contracting Officer with a semi-annual report on overtime usage to include total hours and cost of overtime, the total hours and cost of overtime as a percentage of straight-time hours and straight-time cost.

b. Emergency Work - Nonexempt Employees

Work scheduled on less than 36 hours' notice or resulting from a change in schedule made on less than 36 hours' notice is considered emergency work. The time spent by an employee in travel (including travel between home and duty station) required by emergency work is considered as time worked.

3. Shift Premiums

a. Weekly Employees

The Laboratory may pay to weekly employees a shift premium of 15 percent of earned pay (regular base pay, plus overtime and holiday premium pay where applicable) for hours worked between 4 p.m. and 8 a.m. of the following day, provided that the shift premium payable to an employee for four hours or less of overtime which immediately follows regularly scheduled work or 20 minutes or less of work immediately preceding his/her regular eight-hour shift may be the same as the shift premium, if any, paid to him/her for such regular scheduled work.

b. Monthly Exempt and Nonexempt Employees

A monthly employee working as an assigned member of a regularly scheduled shift operation may be paid a premium of up to 15 percent of base pay. The premium may be considered a part of regular base pay for the purposes of paying leave (such as vacation, sick leave, military duty leave) taken during such assignment. Excluded are: scientific staff members, supervisors of Police and Fire Captains, supervisors of Operations Engineers, supervisors of Reactor Shift Supervisors, and supervisors on an equivalent level in other organizations.

4. Premium for Nonconsecutive Days Off

If an employee is assigned by the Laboratory to a schedule in which the employee's days off in any workweek are not consecutive, the employee may be paid for all work performed on the day immediately preceding his/her second non-scheduled day at time and one-half plus applicable shift premium, if any.

5. Schedule Change Premium

If a change in employee's schedule involves a change in the employee's day(s) off, and if the change was not announced before the start of the workweek in

which the change became effective, the employee's original day(s) off may be deemed unchanged for the purpose of computing overtime.

6. Closing of the Laboratory

The Director, or his duly authorized designee, after consultation with the DOE Contracting Officer whenever possible, may order a closing of the Laboratory whenever he deems it in the best interest of the Laboratory to do so because of some emergency which is general in scope, as, for example, the imminent approach of a hurricane or blizzard or some onsite emergency of a serious nature.

An essential nonexempt employee who is required to work when the Laboratory is closed may be paid at 2 times his regular base rate for all regularly scheduled work performed during such period and may be paid at 2 1/2 times his regular base rate for all other work performed during such period.

7. Special Allowances

a. Reporting Allowance

A nonexempt employee who reports for scheduled work and who is prevented from working all or part of such scheduled work by conditions beyond his/her control, may be paid a reporting allowance up to the amount he would have received if such scheduled work had been performed. An employee who is late to work because of widespread fire, storm, or flood, or because of some other cause acceptable to the Laboratory and beyond the control of the employee, may be considered to have reported for work on time provided that he/she shall have reported for work during the first half of his/her scheduled shift.

b. Overtime Meal Period

A nonexempt employee working more than 10 consecutive hours may be allowed a 30-minute paid meal period. If due to operational requirements an employee is prohibited from taking the full 30-minute meal period, the lost meal time may, for pay purposes, be considered additional time worked.

8. Saturday and Sunday Premiums

A weekly nonexempt employee who actually performs work on a Saturday or Sunday at straight time rates is paid a premium equal to one hour's pay at his/her regular base rate for all work performed on a Saturday and a like premium for all work performed on a Sunday. These Saturday and Sunday

premiums shall not be considered as part of "earned pay" for the purpose of computing the shift premium, if any, for such day.

9. Compensation Awards

In the event of an occupational illness or injury of an employee, the charge to his/her sick leave credit may be reduced to one half (1/2) day per day of absence. The employee's sick leave pay is deemed to include any Worker's Compensation Benefits to which the employee is entitled except:

- a. If a Worker's Compensation award exceeds the sick leave payments made the employee will receive the excess; and
- b. In the event the Laboratory is reimbursed from a compensation award for wages paid to the employee while absent as a result of a work-incurred injury, the Laboratory will restore sick leave credit to the employee up to extent of reimbursement.
- c. The combination of sick leave pay and compensation award payments shall not exceed one hundred percent (100%) of the employee's pay.

10. Application of Sick Leave

If an employee suffers illness or injury during his/her vacation, the period of his/her illness or injury may be charged against his/her accrued sick leave credit rather than his/her vacation credit. A holiday observed on a scheduled workday of an employee on sick leave will not be charged against his/her sick leave credit.

11. Sick Leave Repurchase Plan for Nonexempt Employees

When the accrual of sick leave of a nonexempt employee for any monthly reporting period would cause his/her accumulated credit to exceed the 108 the excess shall be recorded to the employee's credit and paid for at the end of the calendar year at the rate of one day's pay for each four days so credited.

12. Holiday Pay

a. Weekly Employees

Each weekly employee who is excused from work on an observed holiday may be granted holiday pay equal to eight hours' pay at his/her regular base rate; if his/her scheduled day off falls on an observed holiday, he/she may accrue one additional day of vacation credit.



A weekly employee who is required to work on an observed holiday may be paid, in addition to eight hours holiday pay, at 1-1/2 times his/her regular base rate for the first eight hours and at 2-1/2 times his/her regular base rate for all hours in excess of eight hours worked in the holiday period.

If any such payment to an employee does not equal or exceed four hours' pay at his/her regular base rate, such employee may be paid in addition to holiday pay, four hours' pay at his/her regular base rate (plus shift premium, if any), for such holiday work.

b. Monthly Employees

A monthly nonexempt employee who is required to work on an observed eight hours holiday may be paid in addition to holiday pay, at one times his/her regular base rate for the first eight hours and at two times his/her regular base rate for all hours in excess of eight hours worked.

A monthly employee whose scheduled day off falls on an observed holiday shall accrue one additional day of vacation credit.

A monthly exempt employee who is required by the Laboratory to work on an observed holiday may accrue one additional day of vacation credit.

13. Death Leave

An employee may be allowed up to three days' absence with pay at their regular base rate for death in the immediate family--death of wife, husband, mother, father, daughter, son, sister, brother, grandmother, grandfather, mother-in-law, and father-in-law; and also any other family member residing in the household of the employee. An employee may be allowed one day of absence with pay at their regular base rate for death of any other family member other than the immediate family defined above.

14. Leave for Attendance at Court

An employee may be granted leave with pay for jury duty or for a court appearance where the Laboratory has an interest.

15. Bargaining Unit Activity

Pay for absences from work by employees acting in the capacity of union officers, union stewards and committeemen for time spent in handling grievances, negotiating with the Laboratory, and serving on labor management (Laboratory) committees, are allowable.

16. Leave Without Pay

The Laboratory may grant leave without pay to an employee, without loss of his/her employee status, for such time and upon such terms and conditions as the Laboratory shall determine; provided, however, that in no case shall the vacation accrual of an employee on leave without pay for more than 15 consecutive calendar days in any one calendar year be based upon time spent on such leave in excess of 15 calendar days.

17. Regular Leave of Absence

This nonpay status removes the employee from the active rolls of the Laboratory. All employees are eligible for leave for a period of up to one (1) year with an extension of up to an additional year upon approval of the Director of the Laboratory.

The Laboratory will make no retirement contributions. Group Health, Life and Long-Term Disability insurance based on normal salary will be continued, provided that the employee continues to pay the employee group insurance premium based on normal salary.

No sick leave or vacation credit is accrued, nor is there eligibility for holiday pay.

18. Part-Time Leave of Absence

All employees are eligible for leave for a period of up to one (1) year with an extension of up to an additional year upon approval of the Director of the Laboratory.

Laboratory retirement contributions based on the employee's normal salary will be continued. Group Health, Life and Long-Term Disability insurance based on normal salary will be continued, provided that the employee continues to pay the employee group insurance premium based on normal salary.

Salary and accrual of sick leave and vacation credit will be pro-rated according to the employee's schedule.

19. Professional Advancement Leave of Absence

Full-time staff members with the rank of Scientist or Senior Scientist are eligible. This type of leave is granted to further the scholarly pursuits or professional stature of the recipients and to increase the value of their further services to the Laboratory.

Leave credit accumulates at the rate of one month for each year of service (not including periods of leave) in the rank of Associate Scientist, Scientist, or Senior Scientist to a maximum of 12 months. The number of months of leave at full pay taken at any one time may not exceed the leave credit. The number of months of leave at half salary or nonsalaried leave taken at any one time may not exceed twice the leave credit, or 12 months, whichever is less.

Leave at full pay is not intended for teaching; part-time teaching is permitted on leave at half pay.

Laboratory retirement contributions based on the employee's full-time salary will be continued. Group Health, Life and Long-Term Disability insurance based on full-time salary will be continued, provided, that the employee continues to pay the employee group insurance premium based on full-time salary.

No sick leave or vacation credit is accrued.

In the case of employees on non-salaried leave of absence, the Laboratory may pay retirement and insurance premiums (both employer and employee shares) to the extent that they are not paid by the institution or organization providing the stipend, grant or fellowship.

20. Termination of Individual for Administrative Convenience

An employee dismissed for the administrative convenience of the Laboratory may in appropriate circumstances be given a termination payment of one month's pay at his/her regular base rate in the case of a monthly employee and of two weeks' pay in the case of a weekly employee.

An individual employee may be considered for other termination pay for other administrative reasons with the approval of the Director and the Contracting Officer.

21. Severance Pay

Severance payments made to an employee will be reimbursable under this contract when provided in accordance with the following provisions:

- a. No employee: (1) who accepts a transfer to another facility, subsidiary, or affiliate of the Contractor, (2) who is offered employment at comparable pay and benefits by successor Contractor, (3) who resigns, or (4) who is discharged for cause, will be eligible for severance pay.

- b. Should an employee be rehired in the period covered by severance pay, the employee will be responsible for refunding the remaining balance of severance pay.
- c. The Contractor's severance pay plan, and any changes to the plan, are subject to Contracting Officer approval, unless stipulated in a bargaining unit agreement.
- d. Severance payments may be made at the Laboratory's option to an employee within a Reduction-in-Force grouping who is not scheduled for termination but who offers to terminate employment, thereby eliminating the need for terminating another employee involuntarily.
- e. The Laboratory will advise DOE of all Reductions-in-Force prior to their initiation. Upon completion, and at the end of each fiscal year, the Laboratory will provide DOE with a report to the extent of such Reduction-in-Force.
- f. Severance pay may be made in accordance with the following separation allowances in addition to benefits under unemployment compensation laws.

Years of Service

Severance Payment

First 10 years:

1 week for each year

Over 10 years through  
15 years:

1-1/2 weeks for each  
year over 10 years

Over 15 years:

2 weeks for each  
year over 15 years

Employees with less than one (1) year of service are credited with a full year service. For the final year of employment, service is computed in quarterly (three-month) increments with a full quarter's credit given for any fraction of a quarter attained. Allowances for eligible part-time employees will be prorated in accordance with the employee's official work schedule.

Effective October 1, 1995, the maximum severance pay allowance is 39 weeks.

22. Termination at Retirement

Each weekly wage employee with a minimum of five years' service retiring on or after his/her 55th birthday and whose combination of age and service equal 70, may be given up to two weeks' pay at his/her regular base rate.

23. Security Suspension Pay

If the access authorization of an employee is suspended by direction of the Operations Office Manager, the Contractor shall transfer the employee to work not requiring access if such work is available.

In the event a job transfer is not arranged, the employee's base compensation shall be discontinued and the employee shall be placed on leave of absence effective the date that the Contracting Officer provides written notification to the Contractor and shall remain on leave of absence until final disposition of the case under the Department of Energy procedure, 10 CFR Part 710.

In the event the employee whose access authorization has been suspended is transferred to another position where such access authorization is not required, compensation shall, thereafter, be the base wage or salary received by employees in the position transferred into, and such compensation shall continue until final disposition of the case under the Department of Energy procedure, 10 CFR Part 710.

24. Travel - Eligible Persons

The following persons are eligible for reimbursement of travel expenses in accordance with paragraph 25, Travel-Reimbursable Expenses:

- a. Employees and consultants while engaged in work relating to the scientific or administrative business of the Laboratory;
- b. Employees while in attendance at scientific or professional meetings which may be expected to benefit the Laboratory directly or indirectly, as by enhancing the scientific or professional knowledge of employees;
- c. Collaborators (and their families), visitors and speakers, while engaged in travel relating to an appointment with or an approved visit to the Laboratory, or while serving on appointment at the Laboratory, in connection with the performance of work relating to the scientific or administrative business of the Laboratory;
- d. Employees and prospective employees, and their families, while making a change of residence required by a change in such employee's place of assignment for the convenience of the Laboratory, or the change required

by a new employee's affiliation with the Laboratory or with DOE approval by termination of his/her employment with the Laboratory within three years of the date of his/her employment.

Where relocation costs incurred incident to recruitment of a new employee have been allowed, and the newly hired employee resigns for reasons within his/her control within 12 months after hire, the individual shall be required to refund or credit such relocation costs; and

- e. An applicant for a position with the Laboratory while engaged in travel relating to an interview made at the Laboratory's request. While at the Laboratory on such visit, such person and their spouse may be given meals in lieu of a per diem allowance for the day.

25. Travel - Reimbursable Expenses

Persons Eligible for reimbursement under paragraph 24, Travel-Eligible Persons, may be reimbursed as follows:

a. Transportation

- (1) Reimbursement for use of private vehicle, when more advantageous to the Laboratory than use of commercial transportation is at a rate in accordance with the Federal Travel Regulations (FTR), plus bridge, road and ferry tolls. When permitted for the convenience of the traveler, reimbursement should be such that additional costs are borne by the traveler and not by the Laboratory. Mileage shall not be more than one hundred ten percent (110%) of the most direct route per Rand-McNally.

(2) Public Carrier:

- (i) Actual cost of commercial transportation, except that air fare reimbursement is limited to less than first-class accommodations, the cost of which shall not exceed the lowest available commercial discount airfare, Government contract airfare, or customary standard (coach or equivalent) commercial airfare as determined by the Laboratory. Less than first-class accommodations are considered not reasonably available where less than first-class accommodations would, for example:

(A) require circuitous routing;

(B) require travel during unreasonable hours;

- (C) excessively prolong travel;
  - (D) result in additional costs which would offset the transportation savings;
  - (E) offer accommodations which are not reasonably adequate for the physical or medical needs of the traveler;
  - (F) not meet necessary mission requirements.
- (ii) First class accommodations are specifically authorized or approved by the Contracting Officer when deemed necessary for the conduct of the mission.
  - (iii) Authorized Rental Car: Actual expense when authorized by the Laboratory
  - (iv) Rented or chartered aircraft: Actual expense when authorized by the Laboratory and as by the Contracting Officer.

b. Subsistence Expenses

(1) Lodging plus Per Diem

For travel in the Continental United States (CONUS) involving one or more overnight stops, reimbursement for lodging, meals and incidental expenses shall be at the rate established for the applicable locality under Federal Travel Regulations (FTR). The applicable rate (allowance) shall be determined by the travel status and location of the individual at 12:00 midnight and whether lodging is required at such location. When lodging is required on the day travel begins (day of departure from the official station or other authorized point), the allowance shall be the maximum amount for lodging allowed by the FTR plus the pro-rated (if applicable) portion of the per diem (meals and incidental expenses - M&IE). For the day travel ends (when the employee returns to the official station or authorized point), the per diem allowance from the preceding calendar date shall be the prorated (if applicable) portion allowed. The per diem portion of the allowance (M&IE) is calculated for partial days by prorating using one fourth of the allowance for each six-hour period or fraction thereof. A day begins at 12:01 a.m.

(2) Travel of Less Than 24 Hours

No per diem (M&IE) allowance will be allowed for travel begun and completed between the hours of 0800 and 1800 on the same day, with the exception of Saturdays, Sundays and Holidays. Per diem will be allowed for travel in excess of six hours, occurring in a single day, if travel is begun prior to 0800 or continued beyond 1800. In this circumstance, the travel period will be divided into six-hour periods starting from the actual time travel begins and ending with their completion at home, office or other authorized point. For each six-hour period or fraction thereof, one-fourth of the applicable per diem (M&IE) rate will be allowed. The maximum per diem (M&IE) allowance shall not exceed the rate established for the Suffolk County, New York locality under the FTR.

(3) Meals and Incidental Expenses

When meals are furnished without charge, an appropriate deduction to the individual's per diem allowance shall be made. For travel incurred in accordance with b.(1) or b.(2), the per diem (M&IE) rate shall be adjusted in accordance with the FTR.

In either case the individual amount of deductions made on partial days shall not cause the individual to receive less than the amount allocated for incidental expenses.

(4) Dependents Travel

When individuals are entitled to allowances for family members, the rate for spouses and other immediate family members age twelve and older is based on three-fourths of the maximum allowance which applied to the traveler. Children under the age of twelve are included based on a maximum rate calculated at one half the maximum allowance applied to the traveler.

(5) Foreign Travel

Allowances payable for official travel within localities outside CONUS will be at rates not to exceed the maximum rates established under:

- (i) Non-foreign areas outside CONUS. The allowances payable for official travel in non-foreign areas shall not exceed the maximum rates established by the Secretary of Defense and listed in civilian personnel per diem bulletins published periodically in the Federal Register. The term "non-foreign



areas" includes the states of Alaska and Hawaii, the Commonwealth of Puerto Rico, and the possessions of the United States.

- (ii) Foreign areas. Allowances payable for official travel in foreign areas shall not exceed the maximum rates established by the Secretary of State and published in the per diem supplement to the standardized regulations (government civilians, foreign areas). The term "foreign areas" includes any area (including the trust territory of the Pacific Islands) situated both outside CONUS and the non-foreign areas as described in 5.(i) above.

The applicable rate (allowance) shall be determined by the travel status and location of the individual at 12:00 midnight and whether lodging is required at such location.

In addition to the above, travelers are entitled to an enroute rate of \$17.00 on the day their trip begins within CONUS, and \$25.00 for the day of return. The sum of the two enroute rates, plus the daily allowances for each city where lodging is taken, equals the maximum allowable rate for any outside CONUS (CONUS) trip.

When all or part of the meals and/or lodging are furnished at no cost or at a nominal cost to the employee by the Federal Government or others, the applicable maximum per diem rate or the M&IE rate, as appropriate, shall be reduced to a daily amount commensurate with the remaining expenses expected to be incurred by the employee. If a reduced per diem rate was not authorized in advance of the travel, an appropriate deduction shall be made from the total per diem payable on the travel voucher.

- (6) In special or unusual situations, contractor employees may be paid for actual expenses in excess of the above referenced maximum per diem rates provided such payments do not exceed the higher amounts authorized by the Federal Travel Regulations at the time of travel and provided all of the following conditions are met:
  - (i) Special circumstances exist which are similar to or consistent with the description of conditions warranting approval of the actual expense method as set forth in the Federal Travel Regulations, prescribed by the General Services Administration, for travel in the conterminous 48 United States.

- (ii) A written justification for payment of the higher amounts is approved by a Department Chairman or Division Head or their Deputy.
  - (iii) Documentation exists to support the payment of actual lodging expenses.
- c. Research Collaborators who plan to remain at the Laboratory for at least 60 calendar days and persons eligible under subparagraph d. of paragraph 24, Travel – Eligible Persons, may be reimbursed for the actual cost of packing and unpacking, transporting, storing and removing household goods from storage.
- d. Purely personal expenses, such as personal telephone calls [except one personal call per week of travel (or portion thereof) and any additional calls deemed necessary due to unusual circumstances, i.e., family illness, emergencies, disasters, etc.] and valet services, are not reimbursed even though incurred in the course of a trip.
- e. Allowable miscellaneous expenses: Expenses other than those specified below require the approval of the Director or his designee.
  - (1) Rental of necessary office equipment
  - (2) Stenographic and word processing services
  - (3) Rental of rooms for official business
  - (4) Clerical services
  - (5) Excess baggage charges (air travel)
  - (6) Storage charges for baggage
  - (7) Official telephone and telegraph
  - (8) Tolls
  - (9) Ferry
  - (10) Limousines and Taxis, including a gratuity of up to a maximum of 15 percent. Taxi fares to and from restaurants are not reimbursable, unless there is no restaurant in or near the lodging.
  - (11) Public carriers, e.g., bus, subway and streetcar
  - (12) Passports, visas, and tourist cards, including necessary travel to obtain same
  - (13) Travelers' check service
  - (14) Foreign currency exchange loss
  - (15) Debarkation taxes
  - (16) Innoculations
  - (17) Registration fees for meetings
  - (18) Parking when authorized by the Laboratory in accordance with a.(1) or a.(2)(iii).

7. Exceptional Recruitment Allowance

Relocating new employees not eligible for closing costs or costs incidental to the purchase of a new home under FAR 31.205-35., may be paid an Exceptional Recruitment Allowance to reimburse them for actual costs related to relocation, up to a maximum of ten thousand dollars (\$10,000).

Examples of such expenditures are: closing costs incidental to the purchase of a house; rental differential; or other relocation costs validated by submission of a receipt. Employees in the following salary grades will be eligible: all management grades; Scientific Staff (Asst. Scientist and above); Professional Schedule (Grades P7 and above); and Administrative (Grade A8 and above). Approval by the Director is required.

26. Authorization and Voucher Approvals

In addition to any approvals required under other provisions of this Contract, all travel authorizations and vouchers shall be approved in accordance with the Laboratory's signature authorization control policy.

27. Housing for Temporary Appointees

a. Temporary Appointees

(1) When suitable on-site housing is not available for them, the Laboratory may reimburse persons who receive temporary appointments to the Scientific Staff during the months of June, July, August and September, as well as Research Collaborators spending extended periods of time at the Laboratory during the summer months, for excess rentals in accordance with the following conditions:

- (i) The excess rental to be reimbursed is the difference between the rental for a Laboratory apartment of the size which would normally be assigned to a summer appointee and the actual cost of reasonably similar accommodations off the site, if available.
- (ii) The excess rental for which reimbursement is provided will not exceed \$400 per month.
- (iii) Authorization for reimbursement of excess rental is, in every case, approved by the Director of the Laboratory or his designee.

- (2) Because Research Collaborators receive no salary for their work at the Laboratory, the deduction equivalent to on-site rental is not made.

28. Post Allowance Foreign Assignment Change of Station

Where an assignment of a BNL employee results in living costs for the employee and his/her family which are in excess of those which the employee would have incurred were he/she to remain at his/her regular place of employment, the employee may be compensated for these additional living costs. Payment on a per diem basis, will be based upon the approximate difference between the normal expenditures of the employee at his/her usual place of abode, and the cost of reasonably equivalent items at the place of his/her foreign assignment, for such items as normal household costs, including local transportation and children's education, and if applicable, storage of furniture and household effects including moving into and out of storage. Subtracted from these and other valid additional expenses will be any extra income generated (1) by renting of the employee's home, and (2) from the tax advantage occurring to those working abroad for 11 months or more. In addition, family size as well as the employee's tax situation will also be considered in BNL's determination for per diem allowance. In no event will the total per diem, adjusted for living costs abroad, exceed "The U.S. Department of State Indexes of Living Costs Abroad and Quarters Allowances" published by the U.S. Department of Labor, Bureau of Labor Statistics.

29. Group Travel Accident Insurance

The Laboratory has in force a Group Travel Accident Insurance Policy covering all employees, trustees, nonsalaried officers, guests, and all other persons with official appointments at the Laboratory who, during their stay, are authorized to travel on Laboratory business. It provides coverage equal to five (5) times annual salary, subject to a \$100,000 minimum and a \$500,000 maximum, and gives a full 24-hour accident coverage during business travel. No employee contributions are required for this coverage.

30. Child Care

The Laboratory is authorized to operate a child development center, by subcontract or otherwise; however, the Laboratory shall not employ personnel (e.g., teachers/caregivers, etc.) under the BNL contract. Furthermore, the costs for labor, materials and supplies expended for the operation of the Child Development Center (e.g., teachers, caregivers, instructional materials and equipment) shall be fully recovered from the participants. If such a center is contracted for, the Laboratory shall require the subcontractor hold harmless the Laboratory and the Department of Energy for all liability arising out of

operation of the center and shall provide adequate property damage liability and bodily injury liability insurance naming the Laboratory and DOE as additional named insured.

The Laboratory shall use its best efforts to add the Department of Energy, at no additional premium or cost, as an additional named insured under the Laboratory's existing liability policy covering the Brookhaven Child Development Center. Should the insurer be unwilling to add DOE at no additional cost, the Laboratory shall notify the Contracting Officer. The Contracting Officer shall in turn advise the Laboratory whether or not DOE desires such coverage. If desired by DOE, the costs are allowable under the Contract.

The following costs associated with implementation of a child care program are allowable:

- a. Reasonable costs for communication of the program to employees.
- b. Costs associated with utilities and maintenance as well as food services and medical services or supplies which are already being used in support of site operations and are readily available to additionally support child care centers.

Any agreement between contractors and dependent care (program) provider organizations must ensure that contractors and the DOE are held harmless from liability.

Property damage liability and bodily injury liability insurance policies must be retained by the dependent care (program) provider organization in an amount appropriate for services provided. The contractors must also be insured under these policies.

Agreements between the contractors and dependent care (program) provider organizations must ensure that the provider organizations operate, maintain, and upgrade any proposed workplace dependent care facility in compliance with federal, state, and local policies, regulations, and requirements for environment, safety and health.

31. Adoption Assistance

The Laboratory may reimburse employees up to \$3,000 for costs associated with the adoption of an unrelated minor child. Reimbursable costs may include attorney fees, agency fees, court costs, transportation costs and medical costs.

32. Health and Morale - Recreation

a. Activities

The Laboratory maintains a recreation program consisting of organizations designed to improve company loyalty, teamwork or physical fitness for employees, guests and visitors.

b. Facilities

The recreation building, swimming pool, gymnasium, tennis courts and recreation park will be provided and maintained as recreational facilities. Other building or facilities may be made available for the recreation program when such use does not interfere with the official work of the Laboratory.

c. Group Buying

Profits from group buying services operated for the benefit of all employees may be used to assist in the support of the recreation program.

d. Income

The Laboratory shall provide the Board of Trustees of the Brookhaven Employees Recreation Association annual funds not to exceed an amount equal to \$10.00 per employee for their administration of the organizations designed to improve company loyalty, teamwork or physical fitness. The amount shall be determined using the total number of employees, excluding temporary employees, on the payroll as of January 1st each year.

33. Outreach Programs

The Laboratory may sponsor outreach programs which are designed to encourage participation in science and mathematics by youth, minorities and women. The Laboratory shall include a summary of these programs in its annual Affirmative Action Plan.

34. Awards

a. Patent Incentive Award

Awards will be made to any Laboratory employee, assigned employee, loaned employee, consultant, or other affiliate or guest of the Laboratory who is an inventor or co-inventor of a subject invention as said term is defined in the Patent Rights Article when a provisional patent application or patent application is filed in the U. S. Patent and Trademark Office covering such invention; provided that the person has executed all documents necessary for filing such provisional

patent application or patent application in conformance with existing regulations, procedures and contracts of the Laboratory and the Department. An additional award may, with DOE approval, be awarded to each such inventor or co-inventor when a patent is granted on said patent application by the U.S. Patent and Trademark Office.

Awards amount schedule:

Applications filed through September 30, 2007 - \$250 for patent application; \$0 for provisional patent application.

Applications filed after September 30, 2007 - \$300 for patent application; \$100 for provisional patent application.

b. Other Awards

The contractor may expend an amount not to exceed 0.15% (0.0015) per year of the Laboratory's operating budget, inclusive of Work For Others, for awards without Contracting Officer approval. The types of awards may include, for example, Length of Service/Retirement Recognition; Safety Awards; Suggestion Program and Special Performance recognition.

c. Non-Base Cash Compensation

The contractor may expend non-base cash compensation amounts in payments to employees in accord with programs submitted to and approved by DOE Contracting Officer, including, but not limited to, project incentives, strategic skill stipends, and lump sum amounts in lieu of salary increases. Amount expended under such approved programs will not be counted towards the limits for awards in section b. DOE will be provided a listing, on an annual basis, of the programs utilized and the respective amounts expended.

35. Distinguished Lectureship Program

The Laboratory maintains a Distinguished Lectureship Program under which distinguished scientists are invited to the Laboratory to deliver at least one lecture a week on scientific subjects related to the research program, and to be available to members of the scientific staff for discussion of such subjects.

The Distinguished Lectureship Program restricts the number of appointments to a maximum of 10 in each fiscal year. Appointments are to be made by the Director of the Laboratory only.

The Laboratory may pay each lecturer a stipend of up to \$2,500 a week, not to exceed three weeks. In addition, the lecturer may be paid actual travel expenses and be given, without charge, the use of an on-site apartment.

The Laboratory shall notify the Department of Energy of each appointment to be made under the Distinguished Lectureship Program and the amount of the proposed honorarium.

36. Adjunct and Editorship Appointments

Employees of the Laboratory may be permitted to accept adjunct appointments to academic institutions and editorships of scientific, technical or other professional publications, under the following conditions:

- a. An employee may not hold more than one outside appointment that provides for compensation.
- b. If the appointment is simply to give formal recognition to an honorary position which requires only incidental and occasional time to be devoted by the employee either at the Laboratory or at another location, the employee may accept the appointment and receive expenses, but not compensation, while continuing to receive from the Laboratory full-time salary and benefits.
- c. If the appointment requires the employee to spend not more than 10 percent of the normal working hours of the Laboratory on an appointment, both compensation and expenses may be accepted for performing such duties. The employee may use vacation time and, in addition, take leave without pay for such purposes. Under these circumstances, the employee loses no normal Laboratory benefits. Should a conflict of duties arise, the employee's primary commitment is to the Laboratory.
- d. If the appointment requires the employee to spend more than 10 percent of the normal working hours of the Laboratory on the appointment, salary will be proportionately reduced for the time spent performing such duties, and the employee will be considered to be on part-time leave of absence (refer to paragraph. 17). The employee may accept both compensation and expenses from the other employer. The Laboratory, however, must concur in such arrangements including the term of the appointment. Under no circumstances may the working time devoted by the employee to such projects exceed 50 percent.

37. Meal Allowance

Exempt employees who are required to work three or more hours beyond their normal scheduled workday will be eligible for a meal allowance of ten dollars (\$10). This must be approved by a Department Chairman/Division Head.



38. Recruitment

Reimbursable expenses incurred in the recruitment of personnel shall include necessary and reasonable costs based on previous expense history, internal controls and the fluctuation of the level of recruitment. Expenses of recruitment may include:

- a. Transportation, lodging, meals, incidental and other expenses for interviewees and, when approved by the Laboratory, on a case-by-case basis, for spouses, during their stay for the interview and in traveling to and from their home to the Laboratory location where they are interviewed, subject to the limitations under the Travel section of the Appendix.
- b. Costs associated with a one-time sign-on cash supplement of up to \$10,000 to new employees with critical and special skills who the Human Resources Division has determined are difficult to recruit. The cash supplement is intended to provide a competitive hiring package based on the Laboratory's Sign-on Supplement Program Policy. If a newly hired employee is terminated by BNL for performance or resigns for reasons under his/her control within 12 months after hire, the individual shall be required to refund or credit the cash supplement to the Laboratory for credit against its prime contract with DOE.
- c. Costs associated with an Employee Referral Award Program (ERAP). The ERAP program was instituted in order to reward employees who refer successful candidates for employment. For certain specified jobs, BNL employees may recommend applicants to the HR Division and subsequently receive a monetary award if the referral is hired. An award of \$1,000 will be made for referral and hire for an exempt level position; \$500 for referral for a non-exempt hire. Payment will be made after the referred candidate has completed 90 days of employment. Referring employee must still be at the Laboratory to be eligible.

**V. Retired Employees' Group Medical Insurance Plan**

The Laboratory has a Group Medical Insurance Plan which provides extensive coverage for most in- and out-of-hospital medical expenses, in accordance with the insurance policy issued by the carrier. Each participant receives a Certificate of Insurance which contains the details of the plan. Effective October 1, 1995, the Laboratory pays a portion of the cost of active employee and dependent coverage; and employees are required to contribute to the cost of such coverage.

In compliance with federal and state laws, the Laboratory also offers a number of qualified Health Maintenance Organizations (HMO) medical care plans as

additional employee options to the group Medical Insurance plan. For these HMO plans, the Laboratory will pay an amount no greater than the amount it pays for the group medical plan.

a. Retired Employees and Families

All employees employed prior to January 1, 1988 are eligible for the following:

Employees retiring in the calendar year in which their 55th birthday occurs and thereafter, who have completed not less than three (3) years of service with Brookhaven National Laboratory prior to retirement, are retired employees for the purpose of continuing medical insurance coverage.

All employees employed on or after January 1, 1988 and before January 1, 2001 are eligible for the following:

A terminating employee age 55 or older, with at least five years service, must have a combination of age and years of service totaling 70 in order to receive Laboratory medical insurance coverage.

All employees employed on or after January 1, 2001 are eligible for the following:

A terminating employee age 55 or older, with at least ten years service, must have a combination of age and years of service totaling 70 in order to receive Laboratory medical insurance coverage.

Retirees otherwise eligible who are subsequently employed elsewhere will become ineligible for retiree coverage if the new employer makes available a group medical plan. Such subsequent employment will not preclude the retiree from again being eligible if he/she becomes ineligible for coverage under any other group plan.

Retired employees under 65, spouses under age 65, and dependent children continue to be covered under the Laboratory's plan on the same basis as active employees.

For employees who retired between October 1, 1995, and December 31, 2001, retiree contributions will be the amount they were contributing on the day of their retirement. Should the rates for active employees' contributions change, the rates for employees who retire on or after January 1, 2002, will be adjusted accordingly.

Retired employees and their dependents eligible for Medicare benefits will be covered at no cost under the Laboratory's Medical Insurance Plan; except that payment under the plan will be reduced by the amount that employees and their dependents are reimbursed, or entitled to reimbursement, by Medicare.

The Contractor will provide experience reports and actuarial calculations estimating retiree liability, as directed by the Contractor Officer.

If the contract terminates and there is a replacement Contractor, all assets and liabilities shall transfer to the replacement Contractor, and the Contractor shall be relieved of, and held harmless by the Department of Energy, subject to the availability of appropriated funds, against any and all further liabilities arising from such plans.

If the contract terminates and there is no replacement Contractor, the Department of Energy, subject to the availability of appropriated funds, will make available to the Contractor in a timely manner sufficient funds so that the Contractor has no out-of-pocket expenditures from corporate funds to cover all liabilities incurred under this contract related to Contracting Officer-approved employee welfare benefit plans (including but not limited to Medical, Life, Dental, and Workers' Compensation). If so requested by the Department of Energy at the time of contract termination or expiration, the Contractor will continue as the sponsor of these plans until all liabilities of such plans are discharged.

b. Deceased Employees and Families

The medical insurances on the dependents of an employee who dies before the calendar year of his/her 55th birthday may be continued for a maximum of one year.

The medical insurance on dependents of an employee with three (3) years but less than fifteen (15) years service may be continued after one year, providing they pay the full group rate premium.

The medical insurance on the dependents of an employee who dies during or after the calendar year of his 58th birthday or had fifteen (15) or more years service, may be continued to the same extent that coverage would have continued had the employee retired.

Coverage in all the above situations will terminate for all dependents on the date surviving spouse remarries. This policy would not apply to a surviving spouse who is eligible for coverage by a group medical insurance plan provided by another employer.